




Date: April 1, 2019

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager 

Subject: **SB 450 (Umberg) California Environmental Quality Act exemption:  
supportive and transitional housing: motel conversion**

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### **Introduction**

SB 450 seeks to exempt from the California Environmental Quality Act (CEQA) projects related to the conversion of a motel, hotel, apartment hotel, transient occupancy residential structure, or hostel into supportive or transitional housing that is linked to supportive services. The City of Long Beach (City) believes streamlining motel conversions into affordable housing would provide an opportunity to alleviate public safety concerns caused by nuisance motels, while simultaneously providing supportive housing units to address the state's housing crisis.

### **Background**

Research shows that national demand for motels has fallen across the country in recent years. With the rise in housing prices, motels are frequently used as homes for individuals and families with few housing options. In Southern California, many cities are repurposing motels outside of tourist demand areas into affordable housing. In 2018, the City of Los Angeles established an Interim Motel Conversion Ordinance to allow motels that participate in the program to convert into transitional or supportive housing on a temporary (15-year) basis by entering into a contract with homeless service providers. The ordinance exempted these motels from any otherwise applicable zoning ordinance, specific plan, or other district regulations, as well as determined these projects to have no environmental impact for CEQA purposes. Other agencies such as the City of Pasadena, the City of Santa Ana, and the County of Sonoma have converted motels into supportive housing, or are in the process of doing so.

In October 2017, at the request of Long Beach City Council, the Long Beach City Manager directed the Office of Civic Innovation to coordinate an interdepartmental team, known as the Nuisance Motel Taskforce (Taskforce), to explore strategies to address nuisance activities of motels throughout Long Beach. The Taskforce collected data that showed six Long Beach motels had generated 3,189 calls for police service between January 2014 and May 2017.

The Taskforce developed a pilot program incorporating best practices for motel operations as well as existing City regulations with a focus on property security measures, and using crime prevention through environmental design (CPTED) tools and techniques. The pilot program was successful in reducing calls for service for nuisance activities near the motels. However, the over-concentration of motels throughout Long Beach renders motels a persistent problem that will need to be addressed through redevelopment.

In May 2018, the City also launched the Everyone Home Long Beach (EHLB) Taskforce to address the statewide homelessness crisis and its impacts on Long Beach. EHLB identified \$220 million in capital funding needs to support a coordinated homeless services and housing system. Converting motels into permanent supportive and transitional housing would be a cost-effective way to begin housing persons experiencing homelessness or precariously housed in Long Beach. Furthermore, one of the Taskforce's recommendations is to provide zoning accommodations to developers who wish to convert existing motels into permanent supportive housing.

### **Problem**

Over 20,000 households are precariously housed and an estimated 4,000 people in Long Beach experience homelessness each year. Many families are temporarily living in motels in the City and in neighboring communities through motel voucher programs. Meanwhile, nuisance motels continue to be a public safety challenge in many cities that are also challenged by homelessness. A CEQA exemption for motel conversions would be helpful. Though many motels are ideal opportunity sites for affordable housing, the CEQA process currently leads to costs ranging from \$100,000 to \$1,000,000 per project, as well as potential administrative and litigation delays.

### **Solution**

SB 450 addresses both the need for supportive housing and the externalities created by the nuisance motels. It seeks to provide a CEQA exemption for conversion of a hotel, motel, apartment hotel, transit occupancy residential structure, or hostel into supportive or transitional housing. The City would be able to determine the applicability of this exemption. Additionally, SB 450 would require any conversions to add micro-cooking facilities to living units and provide linked supportive services such as case management, health care, and substance abuse treatment either offsite or onsite.

### **Next Steps**

On March 7, 2019, SB 450 was referred to the Senate Committee on Environmental Quality. A hearing date has been set for April 10, 2019.

For more information, please contact Diana Tang, Manager of Government Affairs, at (562) 570-6506 or [Diana.Tang@longbeach.gov](mailto:Diana.Tang@longbeach.gov).

CC: CHARLES PARKIN, CITY ATTORNEY  
TOM MODICA, ASSISTANT CITY MANAGER  
KEVIN JACKSON, DEPUTY CITY MANAGER  
LINDA TATUM, DIRECTOR OF DEVELOPMENT SERVICES  
JOHN KEISLER, DIRECTOR OF ECONOMIC DEVELOPMENT  
KELLY COLOPY, DIRECTOR OF HEALTH AND HUMAN SERVICES  
ROBERT LUNA, CHIEF OF POLICE  
MONIQUE DE LA GARZA, CITY CLERK  
REBECCA GARNER, ADMINISTRATIVE DEPUTY TO THE CITY MANAGER  
DIANA TANG, MANAGER OF GOVERNMENT AFFAIRS



**MAYOR ROBERT GARCIA**  
CITY OF LONG BEACH

March 20, 2019

The Honorable Tom Umberg  
California State Senate  
State Capitol, Room 4066  
Sacramento, CA 95814

**RE: Support for SB 450 (Umberg) California Environmental Quality Act exemption: supportive and transitional housing: motel conversion.**

Dear Senator Umberg:

On behalf of the City of Long Beach (City), thank you for introducing Senate Bill 450 (Umberg). Long Beach is proud to sponsor this legislation. In Long Beach, individuals experiencing homelessness and families that are precariously housed face constant barriers in finding housing. This legislation proposes a way to facilitate production of supportive and transitional housing while also improving public safety outcomes in our communities. Exempting interim motel housing projects from the California Environmental Quality Act (CEQA) will allow for expedited conversion of motels into much-needed housing for vulnerable individuals and families.

SB 450 is consistent with the City's support of policies that promote the development of affordable and accessible housing. It is also imperative that Long Beach residents live in safe communities, attend safe schools, and are contributing and connected members of their communities. This bill achieves both of these goals while also building on the City's work to-date. Recently, the City identified several nuisance motels that have disproportionately high calls for service and crime reports. Furthermore, the City's Everyone Home Task Force identified priority recommendations to provide a comprehensive housing and support system to prevent residents from falling into homelessness and while providing new pathways to housing.

Exempting motel conversion projects from CEQA, as SB 450 (Umberg) proposes, would facilitate the production of supportive and transitional housing and would reduce the negative

externalities of nuisance motels borne by nearby communities. SB 450 is a pivotal, coordinated step forward in producing supportive housing units and ending homelessness in Long Beach.

Given these reasons, the City of Long Beach is proud to sponsor and supports SB 450 (Umberg).

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Garcia", with a stylized flourish at the end.

Mayor Robert Garcia  
City of Long Beach

cc:     The Honorable Speaker Anthony Rendon, State Assembly  
          The Honorable Tom Umberg, State Senate, 34th District  
          The Honorable Steven Bradford, State Senate, 35<sup>th</sup> District  
          The Honorable Mike Gipson, State Assembly, 64th District  
          The Honorable Patrick O'Donnell, State Assembly, 70th District  
          Senate Committee on Environmental Quality



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Los Angeles, San Diego, San Jose, San Francisco, Fresno, Sacramento,  
Long Beach, Oakland, Bakersfield, Anaheim, Santa Ana, Riverside, Stockton

April 1, 2019

The Honorable Tom Umberg  
California State Senate  
State Capitol, Room 4066  
Sacramento, CA 95814

**RE: Support for SB 450 (Umberg) California Environmental Quality Act exemption:  
supportive and transitional housing: motel conversion.**

Dear Senator Umberg:

As Mayors representing California's most populous cities, we thank you for introducing Senate Bill 450. This legislation will support many of the efforts our cities are undertaking in the quest to address California's homelessness crisis by exempting interim motel housing projects from the California Environmental Quality Act (CEQA) and allowing for the expedited conversion of motels into much-needed housing for vulnerable individuals and families.

SB 450 is consistent with our support of policies that promote the development of affordable and accessible housing. As the Legislature has seen, our cities are motivated and able to mobilize quickly to address homelessness when given access to resources and support. As part of the State's FY 19 Budget, our cities were allocated \$176 million to address homelessness. By the first quarter of 2019, \$131 million has been obligated to various projects totaling 2,281 new shelter beds statewide, but more needs to be done.

Exempting motel conversion projects from CEQA, as SB 450 (Umberg) proposes, would facilitate the production of supportive and transitional housing at existing sites where families who are experiencing homelessness are already seeking shelter. SB 450 is a pivotal, coordinated step forward in producing supportive housing units and ending homelessness in California. We see this legislation as having the added benefit of providing an opportunity to address existing public safety concerns at nuisance motels across the State.



Given these reasons, our coalition of mayors is proud to support SB 450 (Umberg).

Sincerely,



Darrell Steinberg  
Chair, Big City Mayors  
Mayor, City of Sacramento



Eric Garcetti  
Mayor, City of Los Angeles



Kevin Faulconer  
Mayor, San Diego



Sam T. Liccardo  
Mayor, City of San José



Lee Brand  
Mayor, City of Fresno



Robert Garcia  
Mayor, City of Long Beach



Libby Schaaf  
Mayor, City of Oakland



Karen Goh  
Mayor, City of Bakersfield



Harry Sidhu  
Mayor, City of Anaheim



Miguel Pulido  
Mayor, City of Santa Ana



Rusty Bailey  
Mayor, City of Riverside



Michael Tubbs  
City of Stockton

cc: Senator Benjamin Allen, Chair  
Senator Patricia C. Bates, Vice Chair  
Senator Jerry Hill  
Senator Nancy Skinner  
Senator Henry I. Stern  
Senator Jeff Stone  
Senator Bob Wieckowski

## **Introduction**

SB 450 seeks to exempt from the California Environmental Quality Act (CEQA) projects related to the conversion of a motel, hotel, apartment hotel, transient occupancy residential structure, or hostel into supportive or transitional housing that is linked to supportive services. The City of Long Beach (City) believes that streamlining motel conversions would help to alleviate public safety concerns caused by the City's 15 identified nuisance motels while simultaneously providing supportive housing units to address the state's housing crisis.

## **Background**

### *Regional Efforts*

Research shows that national demand for motels has fallen across the country in recent years. With the rise in housing prices, motels are frequently used as homes for individuals and families with few housing options. In Southern California, many cities are repurposing motels outside of tourist demand areas into affordable housing.

In 2018, the City of Los Angeles established an Interim Motel Conversion Ordinance to allow motels that participate in the program to convert into transitional or supportive housing on a temporary (15-year) basis by entering into a contract with homeless service providers. The ordinance exempted these motels from any otherwise applicable zoning ordinance, specific plan, or other district regulations as well as determined these projects to have no environmental impact for CEQA purposes.

Other agencies such as the City of Pasadena, the City of Santa Ana, and the County of Sonoma have converted motels into supportive housing or are in the process of doing so. For all local jurisdictions within California, CEQA compliance for such conversions remains a financial and administrative challenge.

### *Local Actions*

In October 2017, the Long Beach City Manager directed the Office of Civic Innovation to coordinate an interdepartmental team, known as the Nuisance Motel Taskforce, to explore strategies to address nuisance activities of motels throughout Long Beach. The Taskforce collected data that showed that six Long Beach motels had generated 3,189 calls for police service between January 2014 and May 2017. Public safety concerns around motel activities have increased since the May 2017 murder of a 32-year-old woman in a Long Beach motel.

The Taskforce developed a pilot program that incorporates best practices for motel operations as well as existing City regulations, with a focus on property security measures, and the use of crime prevention through environmental design (CPTED) tools and techniques. The pilot program was successful in reducing calls for service for nuisance activities near the motels. However, the over-concentration of motels throughout Long Beach renders motels a persistent problem that will need to be addressed through redevelopment. The Taskforce identified 15 priority nuisance motels based on calls for service, below:

<b>Motel Name</b>	<b>Address</b>
Grace Hotel	1090 Obispo Ave
Rodeway Inn – Atlantic	50 Atlantic Ave
Inn of Long Beach	185 Atlantic Ave
Slumber Inn Motel	1770 Pine Ave
Stallion Inn Motel	6057 Atlantic Ave
Searle Motel	6124 Long Beach Blvd



Walls Motel	4821 Long Beach Blvd
Colonial Motel	802 E Pacific Coast Hwy
Rockey Inn Motel	1045 E Pacific Coast Hwy
Coronado Motel	1037 E Pacific Coast Hwy
Liberty Hotel	1875 Cherry Ave
Luxury Inn	5950 Long Beach Blvd
El Capitan Motor Inn	446 W Pacific Coast Hwy
Belmont Shore Inn Motel	3946 E Ocean Blvd
Palms Motel	1059 Pacific Ave

In addition, the City launched the Everyone Home Long Beach (EHLB) Taskforce in May 2018 to address the statewide homelessness crisis and its impacts on Long Beach. The Taskforce identified \$220 million in capital funding needs to support a coordinated homeless services and housing system. Converting motels into permanent supportive and transitional housing would be a cost-effective way to begin housing persons experiencing homelessness or precariously housed in Long Beach. Furthermore, one of the EHLB report's recommendations is to provide zoning accommodations to developers who wish to convert existing motels into permanent supportive housing.

### **Problem**

Over 20,000 households are precariously housed and an estimated 4,000 people in the City experience homelessness each year. Many of these families are already temporarily living in motels in the City and in neighboring communities through motel voucher programs. Meanwhile, the City has identified at least 15 nuisance motels that receive disproportionate calls for service and crime incident reports. These motels have been identified by the community as hubs for illegal activities, including human trafficking, crime, and blight on surrounding neighborhoods. While many of these motels are ideal opportunity sites for affordable housing, the CEQA process currently leads to costs ranging from \$100,000 to \$1,000,000 per project as well as potential administrative and litigation delays.

### **Solution**

SB 450 addresses both the need for supportive housing and the externalities created by the nuisance motels. It seeks to provide a CEQA exemption for conversion of a hotel, motel, apartment hotel, transit occupancy residential structure, or hostel into supportive or transitional housing. The City would be able to determine the applicability of this exemption. Additionally, SB 450 would require any conversions to add micro-cooking facilities to living units and provide linked supportive services such as case management, health care, and substance abuse treatment either offsite or onsite.

### **Next Steps**

On March 7, 2019, SB 450 was referred to the Senate Committee on Environmental Quality. A hearing date has been set for April 10.

For more information, please contact Diana Tang, Manager of Government Affairs at (562) 570-6506 or [Diana.Tang@longbeach.gov](mailto:Diana.Tang@longbeach.gov).

**Introduced by Senator Umberg**

February 21, 2019

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An act to add Section 21080.50 to the Public Resources Code, relating to environmental quality.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 450, as introduced, Umberg. California Environmental Quality Act exemption: supportive and transitional housing: motel conversion.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would exempt from CEQA, projects related to the conversion of a structure with a certificate of occupancy as a motel, hotel, apartment hotel, transient occupancy residential structure, or hostel to supportive housing or transitional housing, as defined. Because the lead agency would be required to determine the applicability of this exemption, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares both of the  
2 following:

3 (a) An interim motel housing project makes only minor interior  
4 alterations to add cooking facilities, including a sink and a  
5 refrigerator, not exceeding 10 cubic feet, counter space not  
6 exceeding 10 square feet, and provision of a hotplate or microwave  
7 to the individual living units.

8 (b) Upon the termination of the use for supportive housing or  
9 transitional housing, the use of the structure reverts back to that  
10 authorized in the certificate of occupancy in effect before the  
11 project.

12 SEC. 2. Section 21080.50 is added to the Public Resources  
13 Code, to read:

14 21080.50. (a) For purposes of this section, the following  
15 definitions apply:

16 (1) "Interim motel housing project" or "project" means the  
17 conversion of a structure with a certificate of occupancy as a motel,  
18 hotel, apartment hotel, transient occupancy residential structure,  
19 or hostel to supportive housing or transitional housing, and the  
20 conversion does not increase the number of dwelling units or guest  
21 rooms for the structure or substantially reduce the number of onsite  
22 parking spaces.

23 (2) "Supportive housing" means housing with no limit on length  
24 of stay for persons with low incomes who have one or more  
25 disabilities and may include, among other populations, adults,  
26 emancipated minors, families with children, elderly persons, young  
27 adults aging out of the foster care system, individuals exiting from  
28 institutional settings, veterans, and homeless people and the  
29 housing is linked to onsite or offsite supportive services.

30 (3) "Supportive Services" means services that are provided on  
31 a voluntary basis to residents of supportive housing or transitional  
32 housing, including, but not limited to, a combination of subsidized  
33 and permanent housing services, intensive case management,